



# The Commonwealth of Virginia's Financial Management Structure

David A. Von Moll, CPA  
State Comptroller

# DOA Mission Statement

***“To provide a uniform system of accounting, financial reporting and internal control adequate to protect and account for Commonwealth financial resources.”***

DOA provides a uniform system – not just IT

- Law, Policy, Roles, Accounting, Transactions
- Accounting – GAAP, Budgetary Basis
- Financial Reporting – all financial transactions end up in CAFR
- Commonwealth’s audit opinion, bond rating
- Internal Control – only as strong as its weakest link

# Department Of Accounts

## Major Divisions

David A. Von Moll  
State Comptroller

James W. Fisher  
Director  
Finance and  
Administration

- Agency Administrative Services
- Claims
- CMIA
- Fiscal Service Bureau
- Line of Duty
- Public Records
- Publishing
- ReportLine
- Risk Management

Richard L. Salkeld  
Director  
Systems  
Development

- Automated Systems Development
- Automated Systems Maintenance

Richard E. Phillips  
Director  
Technical  
Services

- Database Administration
- Information Security
- VITA Liaison

John A. Spooner  
State  
Internal  
Auditor

- Commonwealth Fraud, Waste, and Abuse Hotline
- Internal Auditor Training Program

Lewis R. McCabe  
Director  
General  
Accounting

- CARS
- Agency Risk Management & Internal Control
- Appropriation Control
- Cost Recovery Audits
- Debt Setoff
- Disbursements Review
- Electronic Data Interchange (EDI)
- NGF Interest Calculations
- Revenue Reporting

Ronald D. Necessary  
Director  
Financial  
Reporting

- CAFR and PAFR
- Single Audit and SEFA
- Cash-Basis GF Reporting
- Financial Statement Directives and GASB Compliance
- Audit Review – CAW
- Accounts Receivable
- SICAP
- DOA web site

Lora L. George  
Director  
State Payroll  
Operations

- CIPPS
- Federal Tax Reporting (Forms 941 and W-2)
- Fringe Benefits Accounting
- Payroll Audit
- Payroll Training
- Quarterly Reporting
- Small Purchase Charge Cards
- Travel Charge Cards

Jean S. Turlington  
Director  
Payroll Service  
Bureau

- Serves 37 Agencies
- Pays 6,300 Employees



# DOA/Agency Financial Management Partnership

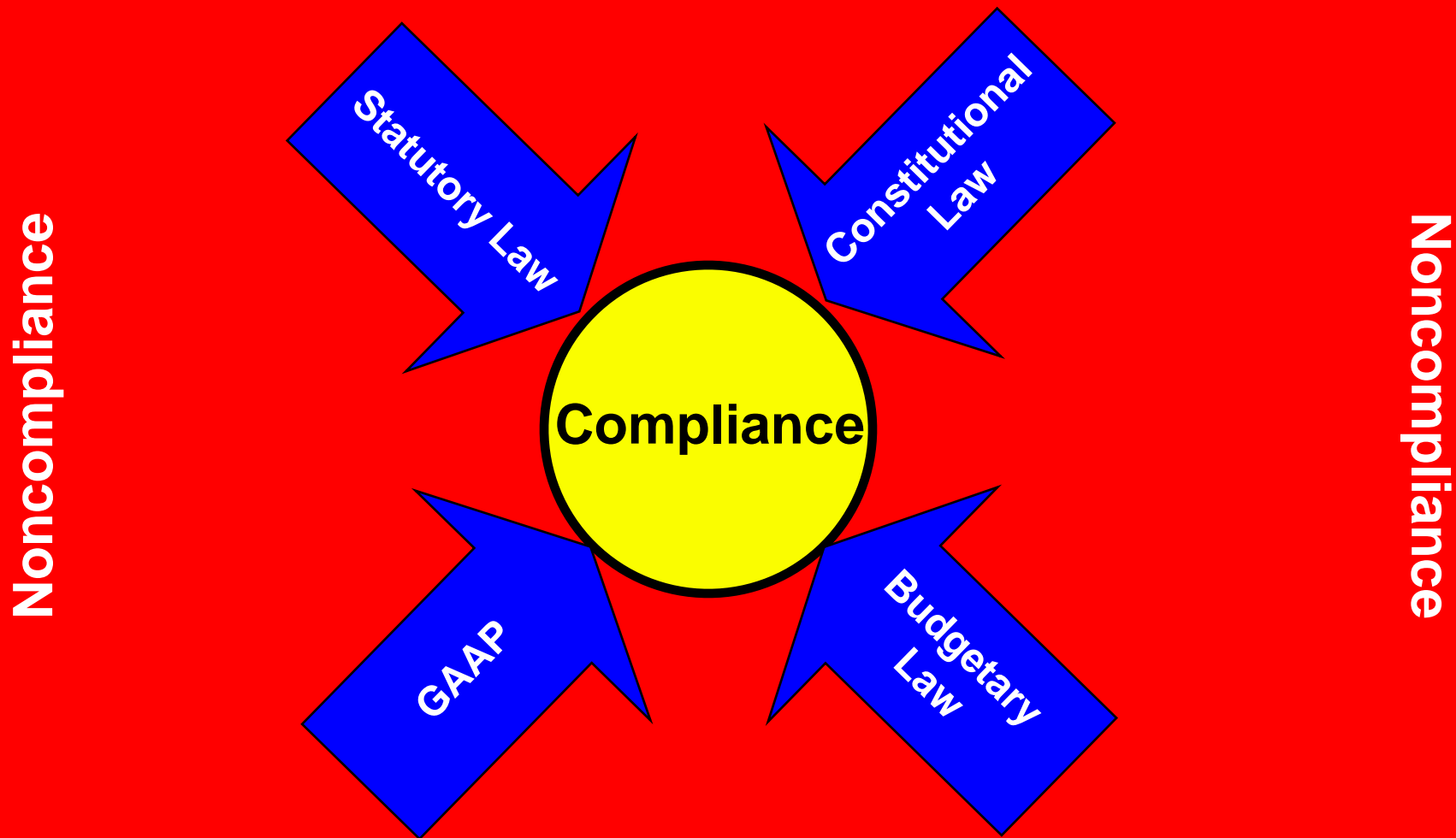
## DOA Role

- Set state accounting policy in conformance with:
  - Constitutional Law
  - Budgetary Law
  - Statutory Law
  - GAAP
- Operate central accounting systems
- Control/monitor/report agency/statewide financial activity in conformance with state accounting policy

## Agency Role

- Execute agency mission as prescribed by law in conformance with state accounting policy
- Operate subsidiary agency-based accounting systems, subject to interface and reconciliation with central systems
- Process/record and control/monitor/report transactions reflecting agency financial management activity

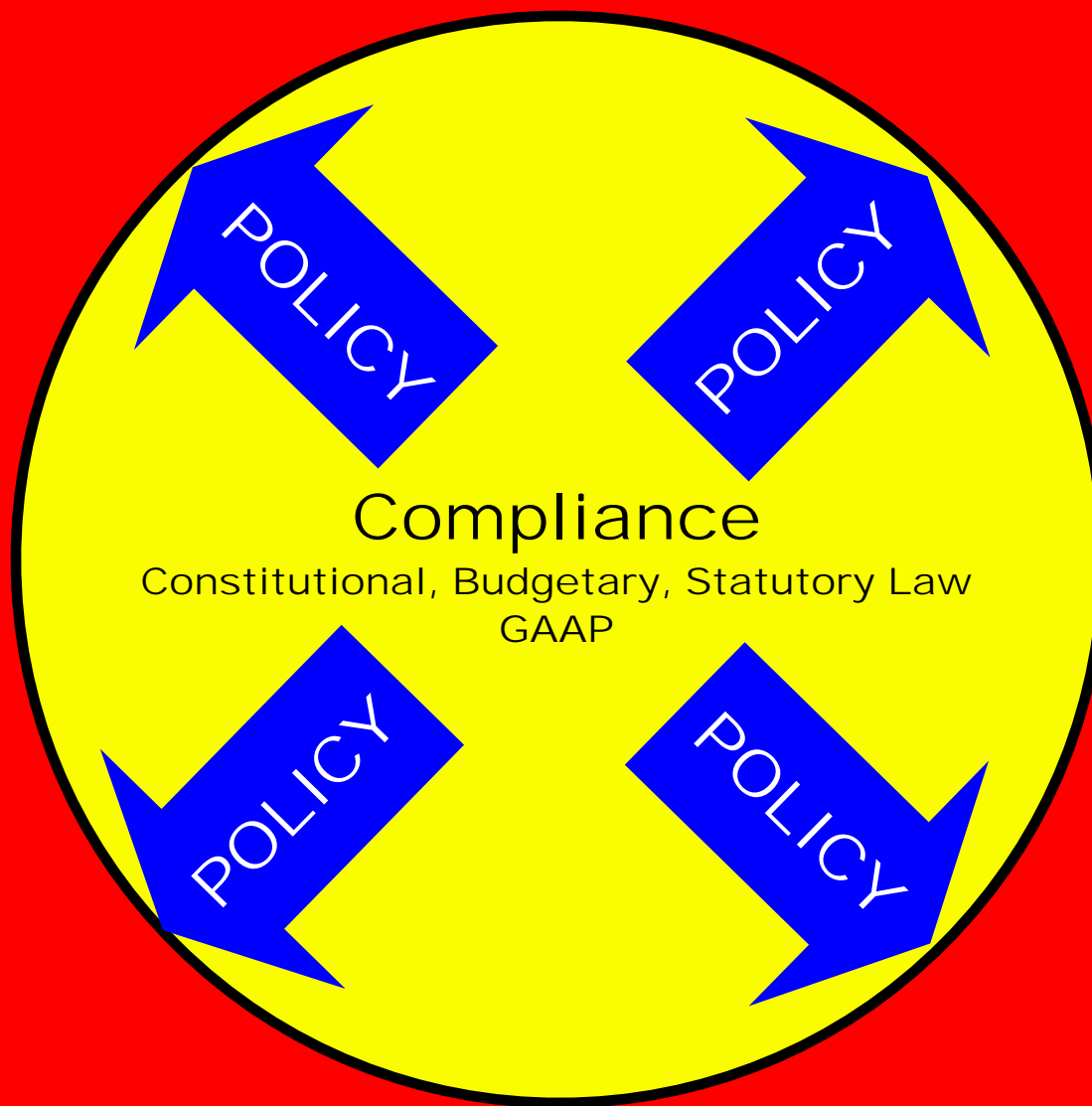
# Statutory and GAAP requirements narrow operating flexibility...



**Policy seeks to maximize operating flexibility within legal and GAAP constraints**

**Noncompliance**

**Noncompliance**





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# Financial Structure Review

***“The Auditor of Public Accounts shall review the operations of the State Comptroller as they relate to the Commonwealth’s financial accounting and control operations.”***

- Secretary of Finance, State Comptroller, State Treasurer, Director of Planning and Budget, Chief Information Officer
- Identify factors that led to the current financial structure
- Impact of decentralization on the financial structure and internal controls
- Whether the Commonwealth has a modern financial system and structure
- Whether structural changes and additional resources could enhance oversight capabilities

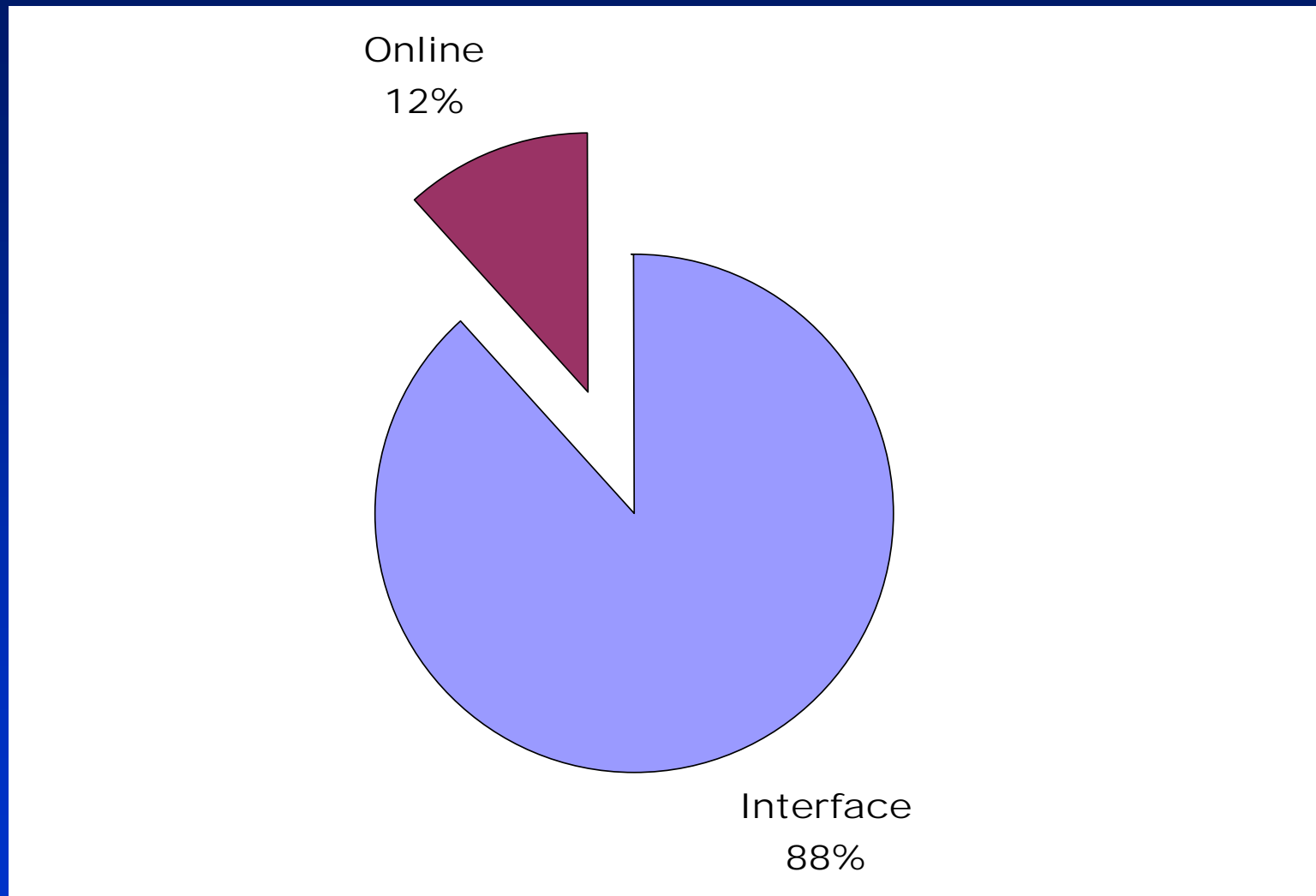


# **Statewide Financial Systems**

- **View Commonwealth agencies as multiple enterprises**
- **Agency-based systems**
  - **Fill gaps between functionally limited central administrative systems and agency requirements:**
    - **Billing, Receipts, Accounts Receivable**
  - **Central systems lack functional integration.**
    - **Ex. PMIS/BES, CIPPS, eVA, CARS, FAACS**
  - **Interface and reconcile with central systems**
  - **Model emphasizes functional integration between administrative and agency-specific applications**
- **View Commonwealth as a single enterprise**
- **ERP**
  - **Functionally rich central system**
  - **Functional integration between central system functions:**
    - **Purchasing, Accounts Payable, Fixed Asset**
    - **Billing, Receipts, Accounts Receivable**
    - **Human Resources, Payroll**
  - **Quality of functional integration between administrative functionality and agency-specific applications?**



# CARS Input Transactions



# Accountability Concepts





Please refer any questions or comments  
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